



SUNDAY ALCOHOL SALES AND EXPANDED COLD BEER SALES: WHY CONNECTICUT CANNOT AFFORD THIS "CONVENIENCE"

As the Connecticut State Legislature considers allowing statewide alcoholic beverage sales on Sundays and the sale of cold beer at grocery and convenience stores, the arguments in favor of such sales focused heavily on two points:

1. Sunday alcohol sales and expanded cold-beer sales will be more convenient for consumers; and
2. Sunday alcohol sales and expanded cold-beer sales will bring economic gain to owners of grocery and convenience stores that sell such products.

The Connecticut Coalition to Stop Underage Drinking strongly believes that these reasons do not justify statewide Sunday sales of alcohol.

The "convenience" of Sunday alcohol sales and expanded cold-beer sales comes at a cost – one that the citizens of Connecticut and the state itself simply cannot afford. And any economic gains made by one segment of the marketplace – if such gains would materialize – would be offset by the economic losses that would occur on a much greater scale and affect a much larger number of individuals as the result of alcohol-related crashes, law enforcement costs, social services, medical care, work loss and other issues related to alcohol abuse.

In fact, the State of Connecticut cannot handle the social and economic challenges that already exist as a direct result of alcohol abuse. *Increasing the availability of alcohol – a controlled and regulated substance, not an ordinary grocery or convenience-store product such as milk or bread – by allowing Sunday sales and expanded "ready-to-drink" cold beer sales would only add additional burdens to systems and services already struggling to deal with these problems.*

Let's examine exactly who would be "convenienced" by Sunday alcohol sales and expanded cold-beer sales:

Sunday sales of alcoholic beverages and expanded cold-beer sales would be more convenient for underage drinkers.

- *Connecticut already has a problem with underage drinking. Approximately 157,000 underage youth in Connecticut drink each year. In 2005, underage drinkers consumed 16.2% of all alcohol sold in Connecticut, totaling \$325 million in sales. These sales provided profits of \$157 million to the alcohol industry. That's higher than nationwide rates, which show that underage drinkers consume about 11 percent of the alcohol purchased. (Miller, TR, Levy, DT, Spicer, RS, & Taylor, DM. (2006) Societal costs of underage drinking *Journal of Studies on Alcohol*, 67(4) 519-528)*
- *In CT, off premise establishments that most frequently are cited for sales of alcohol to minors are grocery stores and convenience stores. (Governor's Prevention Partnership, 2010).*
- *Underage drinking cost the citizens of Connecticut \$621 million in 2005. These costs include medical care, work loss, and pain and suffering associated with the multiple problems resulting from the use of alcohol by youth. (Pacific Institute for Research and Evaluation (PIRE), October 2006.)*



- *This translates to a cost of \$1,886 per year for each youth in the State. Connecticut ranks 36th highest among the 50 states for the cost per youth of underage drinking. Excluding pain and suffering from these costs, the direct costs of underage drinking incurred through medical care and loss of work cost*

Connecticut \$196 million each year.

(Pacific Institute for Research and Evaluation (PIRE), October 2006.)

- *Since the 1970s, a growing international body of public health research has consistently shown that even relatively small increases in alcohol availability lead to more consumption and, in turn, to more negative consequences associated with underage drinking (as well as with alcohol abuse and alcohol-related fatalities).*

“Convenience” is not worth an increase in underage drinking. Sunday sales of alcoholic beverages and expanded cold-beer sales would be more convenient for at-risk drinkers.

- *According to a 2004 World Health Organization report, most studies demonstrate that drinking rates or harmful effects of drinking increase with increased sales times, and decrease when they are shortened. (What are the most effective and cost-effective interventions in alcohol control? World Health Organization, 2004.)*
- *Adult binge drinkers make up only about 23 percent of the population, but consume 76 percent of the available alcohol; frequent binge drinkers represent only seven percent of the population, but drink 45 percent of the available alcohol. (OJJDP US Department of Justice 2002 National Survey on Drug Use and Health.)*
- *Forty percent of the American public does not drink at all. So making alcohol more convenient enables the 25 percent of the American population who regularly drink heavily (20 percent) and are addicted (5 percent) – the very ones who have the most potential to harm the public and themselves. (“Drinking in America: Myths, Realities and Prevention Policy,” OJJDP, 2005.)*
- *Beer is the drink most commonly consumed by people stopped for alcohol-impaired driving or involved in alcohol-related crashes. Eighty percent of drivers arrested for DWI nationwide identified beer as their drink of choice. (beersoaksamerica.org).*

“Convenience” is not worth an increase in at-risk drinking. Sunday sales of alcoholic beverages and expanded cold-beer sales would make drinking and driving more convenient. “Convenience” is not worth an increase in alcohol-related crashes – and the social and economic costs of those crashes.

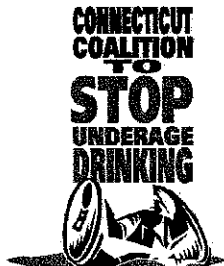
- *A significant body of research, as reported by Alcoholpolicy.com, has consistently shown that, as availability of and access to alcohol increase through an increase in alcohol outlets, so does the disintegration of a neighborhood's economy and social structure.*
- *Many studies have established direct correlations between high alcohol availability and increases in drunken driving, sexual assault, crime and violence. The relationship between high crime/violence/underage drinking and alcohol-outlet density is statistically significant regardless of socioeconomic and other demographic factors. (Alcoholpolicy.com)*

“Convenience” is not worth a decrease in a community's quality of life or its residents' community involvement.

THE BOTTOM LINE:

The misuse of alcohol creates a significant burden for individuals, families, neighborhoods, city & state governments.

Building an economy around the “convenience” of alcohol is one economic-development policy the State of Connecticut cannot afford.



Revenue Collection Summary

July 1, 2011- November 30, 2011

Chart of Alcoholic Beverages Tax Rates

This chart identifies alcoholic beverages tax rate changes effective July 1, 2011 by beverage type and size.

Beverage	Size	Old Tax Rate	New Tax Rate
Still Wines - Not in excess of 21% alcohol by volume	Wine Gallon	\$0.60	\$0.72
Still Wines Produced by Small Wineries - Not in excess of 21% alcohol by volume	Wine Gallon	\$0.15	\$0.18
Fortified Wines in excess of 21% alcohol by volume and Sparkling Wines	Wine Gallon	\$1.50	\$1.80
Beer and Other Malt Liquors - Draft barrels only	Barrel	\$6.00	\$7.20
Beer and Other Malt Liquors - Other containers	Wine Gallon	\$0.20	\$0.24
Distilled Liquors	Wine Gallon	\$4.50	\$5.40
Liquor Coolers - Not more than 7% of alcohol by volume	Wine Gallon	\$2.05	\$2.46
Alcohol - in excess of 100 proof	Proof Gallon	\$4.50	\$5.40

Revenue Collection Summary

July 1, 2011- November 30, 2011

As Reported by State of CT Department of Revenue Services (see attached)

Revenue for period July 1, 2010 - November 30, 2010:

\$16,105,976.30 (reported & actual)

Revenue for period July 1, 2011- November 30, 2011

\$20,288,122.77 (reported by State Dept. of Revenue Services)

\$24,345,747.32 (actual with new tax rate)

Increase in Revenue for Current Fiscal Year (through Nov 30, 2011)

\$ 4,182,146.47 (reported by State Dept. of Revenue Services)

\$ 8,239,771.02 (actual with new tax rate)

Yield= 51.16% (actual increase vs. 25.97% as reported)

**STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES
25 SIGOURNEY ST. HARTFORD, CT 06106
KEVIN B. SULLIVAN, COMMISSIONER**

**COMPARATIVE STATEMENT OF ALCOHOLIC BEVERAGE SALES FOR THE MONTH OF OCTOBER 2011
AND OCTOBER 2010 INDICATED BY REVENUES OF NOVEMBER 2011 AND NOVEMBER 2010**

TYPE OF BEVERAGE	TAX RATE	Oct-11 QUANTITY	Oct-10 QUANTITY	Oct-11 TAX	Oct-10 TAX	% INCREASE OR DECREASE OF TAX
MALT BEVERAGES	\$6.00 (per barrel)	15,466.00	16,267.00	\$92,796.00	\$97,602.00	-4.92%
MALT BEVERAGES	\$0.20 (per gallon)	3,676,884.00	3,731,551.00	\$735,376.80	\$746,310.20	-1.46%
TOTAL TAX - MALT BEVERAGES				\$828,172.80	\$843,912.20	-1.87%
WINES UNDER 21% ALCOHOL						
LARGE WINERIES	\$0.60 (per gallon)	1,375,746.00	1,277,717.00	\$825,447.60	\$766,630.20	7.67%
SMALL WINERIES	\$0.15 (per gallon)	33,778.00	52,346.00	\$5,066.70	\$7,851.90	-35.47%
WINES OVER 21% ALCOHOL & SPARKLING WINES						
TOTAL TAX - WINES				\$830,514.30	\$774,482.10	6.97%
DISTILLED LIQUOR	\$4.50 (per gallon)	662,213.00	622,936.00	\$2,979,968.50	\$2,803,212.00	6.31%
LIQUOR COOLER	\$2.05 (per gallon)	1,361.00	1,596.00	\$2,790.05	\$3,271.80	-14.72%
ALCOHOL	\$4.50 (per proof gallon)	3,469.00	3,859.00	\$15,610.50	\$17,365.50	-10.11%
TOTAL TAX - DISTILLED SPIRITS				\$2,998,369.05	\$2,823,849.30	6.18%
TOTAL - ALCOHOLIC BEVERAGES TAX				\$4,752,950.15	\$4,522,796.60	5.09%

** calculated
at old tax rate*

REVENUE COLLECTION SUMMARY

Revenue for period July 1, 2011 - November 30, 2011: **\$20,288,122.77**
Revenue for period July 1, 2010 - November 30, 2010: **\$16,105,976.30**

Increase or decrease in revenue for current Fiscal Year: **\$4,182,146.47** 25.97% of increase/decrease

Due to electronic funds transfer procedures and filing dates for tax returns, the cumulative revenue figures may not include all months due for the current tax period; it may include some months due for the prior tax period (s) of the previous fiscal year.

No. 716



What if we raise the price by: An increase of 5 cents a drink?

Estimated Revenue (based on old tax rates)

	Beer	Wine	Spirits	Total	Adjusted Total
Excise Tax Revenue Increase	\$30,500,000	\$15,500,000	\$23,800,000	\$69,800,000	
Change in Sales Tax Revenue	\$ 981,000	\$ 278,000	\$ 266,000	\$ 1,520,000	
Total	\$31,481,000	\$15,778,000	\$24,066,000	\$71,320,000	\$63,000,000 (Adjusted for new tax rate)

What if we raise the price by: An increase of 10 cents a drink?

Estimated Revenue (based on old tax rates)

	Beer	Wine	Spirits	Total	Adjusted Total
Excise Tax Revenue Increase	\$60,000,000	\$30,500,000	\$46,500,000	\$137,000,000	
Change in Sales Tax Revenue	\$ 1,900,000	\$ 516,000	\$ 467,000	\$ 2,890,000	
Total	\$61,900,000	\$31,016,000	\$46,967,000	\$139,890,000	\$131,000,000 (Adjusted for new tax rate)



Governor's H.B. No. 5021

AN ACT CONCERNING COMPETITIVE ALCOHOLIC LIQUOR
PRICING AND HOURS OF OPERATION FOR PERMITTEES

Purpose of legislation:

This bill allows convenience stores to sell beer. It amends the definition of "grocery store" for purposes of a grocery beer permit to include convenience stores and eliminates the requirement that a convenience store primarily sell groceries.

Concerns:

Passing this piece of legislation would increase youth access to alcohol. Unfortunately due to the classification of the proposed alcohol permit, there would be very little regulation involved and would allow for the following situations:

- Clerks as young as 16 selling in more outlets
- The potential for untrained staff to sell alcohol
- No regulations about outlet density (unlike liquor-package store permits)
- No regulations on zoning (certain distance from schools and churches)
- The potential for a backlog with State Liquor Control monitoring new establishments
- These stores are already frequented by youth

With the proposed language change, the following stores would be allowed to file for a beer permit:

- Pharmacies
- Convenience stores
- Department Stores
- Gas Stations

It is estimated that this will open the door for 2,500-4,000 new permits. There are currently 1,200 active "off-premise" permits in CT. All of these stores would need to go through full investigations to open, would need monitoring, and would need to be enforced. This would put an incredible strain on the state Division of Liquor Control and local and state police.

There is also a concern, that statistically we have had more violations among stores with a grocery beer permit, as opposed to the liquor permits. In 2010 26% of establishments with a grocery beer permit failed compliance checks as opposed to the 17.7% of package stores that failed. Similarly, in 2009 23.25% of the grocery stores/markets failed as opposed to the 13.3% of liquor stores.